

DEPARTMENT OF THE ARMY
U.S. Army Engineer Division, Great Lakes and Ohio River
Corps of Engineers
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CELRD-HR

Regulation
No. 690-1-17

8 January 1999

Civilian Personnel
PAY FIXING POLICY

Supplementation of this regulation is prohibited unless prior approval is obtained from CELRD-HR.

1. Purpose. This regulation establishes policies which will be used to determine the rate of pay for employees when Office of Personnel Management (OPM) and/or Department of Army (DA) regulations permit administrative discretion.
2. Applicability. This regulation applies to all employees of the Great Lakes and Ohio River Division and activities serviced by CELRD Civilian Personnel Advisory Centers.
3. References:
 - a. 5 CFR 531
 - b. 5 CFR 532
 - c. 5 CFR 536
 - d. 5 CFR 575
 - e. DOD Supervisory Differential Plan dated 1 June 1992
 - f. AR 690-500, Chapter 540
 - g. AR 690-990-2
 - h. CELRD-HR memorandum, dated 6 August 1998, Delegation of Authority to Approve Civilian Recruitment and Relocation Bonuses
4. Policy. In setting rates of pay, there will be no discrimination against any person because of

This regulation supersedes CEORDR-690-1-17 dated 30 September 1993 and NCDM 690-1-15 dated 18 February 1986.

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non-merit reasons such as race, color, religion, sex, national origin, politics, marital status, physical disability, age or membership in an employee organization.

5. Definitions:

a. New Appointment - The first appointment, regardless of tenure, as an employee of the federal government.

b. Transfer - Movement of an employee, without break in service of one full workday, from one Federal Agency to another.

c. Reemployment - The employment of a former Federal employee by reinstatement or another type of appointment.

d. Superior qualifications appointment - An appointment at a rate above the first step when the applicant has superior qualifications, as defined in 5 CFR, for the position.

e. Promotion - The change of an employee, while continuously employed, from:

(1) One General Schedule (GS) grade to a higher GS grade; or

(2) A lower rate paid under another pay system to a higher rate within a GS grade; or

(3) One grade to a higher grade under the same type wage schedule; or

(4) A job or grade under a wage schedule to a job or grade with a higher representative rate under a different wage schedule; or

(5) A job or grade under the General Schedule to a job or grade with a higher representative rate under a wage schedule.

f. Representative Rate - A rate used to determine the nature of a job change (promotion, change to lower grade or reassignment) when different pay schedules are involved, whether in the same or different wage areas. The representative rate is the fourth step of a GS grade and the second step of a wage system grade.

6. Highest Previous Rate - The highest rate of basic pay previously paid to an employee under an earlier appointment may be used as a basis for future pay setting action. The highest previous rate must be based upon a regular tour of duty under an appointment not limited to 90 days or less or for a continuous period of 90 days or more under one or more appointments without a break in service.

a. Effect of Temporary Promotion on Highest Previous Rate - A temporary promotion may be used as the employee's highest previous rate if the employee served in the temporary promotion for one year or longer.

b. Effect of Special Salary Rate on Highest Previous Rate - A special rate (including the adjusted pay rate for GS supervisors of wage system employees paid at a higher rate) may be considered as the employee's highest previous rate if the employee is being reassigned to another position in the same agency if the following conditions are met:

(1) The special rate is the employee's current rate of basic pay and

(2) An official (Chief, Civilian Personnel Advisory Center (CPAC) and/or manager or supervisor) finds that the need for the services of the employee and his or her contribution to the program of the organization will be greater in the position to which he or she is being reassigned. Such determinations must be made on a case-by-case basis and documented in a written record to use the special rate as the highest previous rate.

c. Effect of Wage System Employees on Highest Previous Rate for GS Supervisors - An adjusted salary rate of GS supervisors of wage system employees paid at a higher rate may be considered as highest previous rate only if the adjustment was made prior to implementation of the Department of Defense Supervisory Differential Plan authorized under the Federal Employee' Pay Comparability Act (FEPCA). Supervisory differential authorized under FEPCA is not part of basic pay and is not considered in determining highest previous rate.

7. Responsibility for Pay Setting - The appropriate Civilian Personnel Operating Center (CPOC) Specialists/Assistants are responsible for setting pay as prescribed by this regulation and applicable OPM and DA regulations. When discretion in pay setting is permitted, i.e., application of highest previous rate benefits, management officials will determine pay within the limits defined by regulation.

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8. Determining Basic Rate of Pay.

a. New Appointments:

(1) Except as provided below, new appointment will be made at the minimum rate of the grade to which appointed, or when a special pay schedule has been established, at the minimum rate of the special schedule.

(2) Based on the appropriate CPOC/CPAC approval procedures, pay can be set at a higher rate due to the superior qualifications of the new appointee.

b. Reinstatements.

(1) An employee who returns to federal employment in the Great Lakes and Ohio River Division or serviced activities after a break in service, will have pay set, to the extent possible, at a rate which preserves his/her highest previous rate except as described in paragraphs (2), (3) and (4) below.

(2) There are some instances when management may determine that setting pay based upon highest previous rate is not appropriate. Reasons include, but are not limited to the following: (a) the relationship of the selectee's pay to that of current employees in the work unit; (b) budgetary limitations; (c) qualifications of the selectee.

When pay is set at a rate which does not preserve the employee's highest previous rate, the appropriate CPOC procedures will be followed by the selecting official and appropriate CPOC representative.

(3) When a management decision is made not to preserve the highest previous rate for a group of appointments or a particular type of appointment, e.g., temporary or summer, a blanket documentation may be developed and used to cover all affected positions or employees. As stated previously, the appropriate CPOC procedures will be followed.

(4) A reinstatement eligible who accepts a position at a lower grade with the potential for promotion back to his/her former grade level within a period of twelve months or less will have pay set at a rate in the lower grade which, upon promotion back, will place the employee at the rate formerly held at the higher grade.

c. Temporary Appointments will be made at the minimum step of the grade as described in paragraph 8a unless the employee has previous qualifying service at a higher step or grade. In

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that case, the employee's pay is set in accordance with paragraph 8b above. Paragraph 8b also applies to temporary employees who are converted to permanent positions at lower grade levels.

d. Promotions.

(1) General Schedule (GS) Employees:

(a) Promotion to another GS Position. An employee who is promoted is entitled to basic pay at the lowest step of the higher grade which exceeds his/her existing step by not less than two step increases of the grade from which he/she is promoted.

If the employee is receiving a rate of basic pay above the maximum rate of his/her grade (i.e., under pay retention), and there is not a rate in the higher grade at least two step increases above the employee's existing rate of pay, he/she is entitled to either: the maximum rate of the higher grade OR his/her existing rate if that rate is higher and the employee is entitled to it under a previous determination of pay retention.

(b) Promotion to a Wage System position. A GS employee promoted to a wage system position (as determined by a comparison of representative rates) is entitled to basic pay at the lowest rate of the grade which exceeds his/her existing rate of basic pay by at least four percent (4%) of the representative rate of the grade from which the employee is promoted.

If the employee is receiving a rate of basic pay above the maximum rate of his/her grade (i.e., under pay retention) and there is not a rate in the higher grade which exceeds the existing rate by at least four percent (4%) of the representative rate of the grade from which promoted, the employee is entitled to either: the maximum rate of the higher grade OR his/her existing rate of pay if that rate is higher and the employee is entitled to it under a previous determination of pay retention.

(2) Wage System Employees.

(a) Promotion to Wage system position in same wage area. Upon promotion, an employee is entitled to be paid at the lowest scheduled rate of the grade to which promoted which exceeds his or her existing rate of pay by at least four percent (4%) of the representative rate of the grade from which promoted.

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If, upon promotion, there is no rate of pay in the grade to which promoted which meets the above requirement, the employee shall be paid at: the maximum rate of the grade to which promoted OR his/her existing rate if that rate is higher and the employee is entitled to it under a previous determination of pay retention.

(b) Promotion to a Wage System position in a different wage area. When a wage system employee is promoted to a position in different wage area, the employee's pay entitlement is determined as if there were two pay actions--reassignment and promotion--and will be processed in the order that gives the employee the maximum benefit, e.g., promotion at old pay schedule and then reassignment to the new wage area or reassignment, then promotion under the new wage area pay schedule.

(c) Promotion to a GS position. When a wage system employee is selected for a GS position, the position change is considered a promotion if the representative rate of the GS position is higher than the representative rate of the wage system position. Pay is set at the step in the GS grade which equals or exceeds the employee's current or highest previous rate.

(3) Performance Management and Recognition System (PMRS) Employees. The PMRS was abolished on 15 December 1993. Employees currently in the system will remain until promoted, reassigned, demoted, transferred, etc. At the time of the new personnel action, the employee's coverage under the system is terminated and will transition to the General Schedule system.

(4) Temporary Promotions. Pay setting as described in paragraphs 8d(1), 8d(2) and 8d(3) applies. When the temporary promotion expires the employee is returned to his/her former rate of basic pay at the lower grade unless temporary promotion has exceeded one year. Then, at management's discretion, the rate earned under temporary promotion may be considered as highest previous rate and pay at the lower grade may be set based upon highest previous rate.

(5) Use of Highest Previous Rate in Promotions. Upon promotion, employees will be granted the benefit of highest previous rate if this would result in a higher rate of pay than would the provisions described in paragraphs (1) and (2) above. The benefit of highest previous rate will be applied to subsequent promotions until the highest previous rate is equaled or exceeded.

(6) Effective dates of promotion actions. Promotions will not be processed retroactively. Supervisors should ensure that requests to promote employees are received in the CPOC within the established timeframes to process the action before the desired effective date.

e. Change to Lower Grade.

(1) An employee who is downgraded due to reduction in force, transfer of function or position classification action and who is not eligible for grade retention as described in current OPM/DA regulations, will have pay set at a rate in the lower grade which equals his/her current rate. If the current rate falls between two steps in the lower grade, pay will be set at the higher step. If the current rate cannot be accommodated in the lower grade range, the employee is entitled to pay retention at his/her current rate.

(2) An employee who requests a change to lower grade to enter a formal employee development program such as Upward Mobility, career intern or apprentice will have his/her pay set in the lower grade at a rate as described in paragraph 8e(1) above. If the current rate cannot be accommodated in the lower grade range, the employee is entitled to pay retention at his/her current rate.

(3) An employee who requests a change to lower grade to a position with promotion potential back to his/her current grade within 12 months and who is not covered by a formal employee development program as described in paragraph e(2) above will have pay set at a level in the lower grade, which upon promotion back to the higher grade, will place the employee at the rate he/she would have attained had the employee remained at the higher grade.

(4) An employee who requests a change to lower grade to a position with no known promotion potential will have pay set at a rate in the lower grade determined by the responsible management official. As a maximum, pay may be set at the rate in the lower grade which equals the employee's current rate. If the current rate falls between two steps in the lower grade, the highest step may be paid. In no case will pay exceed the maximum step of the lower grade. If pay is set at a lower rate than the current rate, the appropriate CPOC/CPAC procedures and documentation will be used.

(5) When the change to lower grade is a result of the employee's failure to adequately perform the duties of his/her position, pay will be set at the step in the lower grade which falls just below the employee's current rate.

9. Pay Retention.

a. Current OPM, DOD and DA regulations apply when determining eligibility for pay retention. Under pay retention, demoted employees continue to receive pay at the rate they were earning immediately before the change to lower grade.

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b. Employees who are changed to lower grade by request or due to personal cause are not eligible for pay retention except in certain RIF actions.

10. Recruitment and Relocation Bonuses.

Authority to approve recruitment and relocation bonuses is delegated to District Commanders subject to the following:

a. A request for a recruitment and relocation bonus will be made in writing by the supervisor or manager to the district commander. The request will include information required by 5 CFR 575 in support of the request. The appropriate CPAC will provide the supervisor with an advisory opinion on the need for the bonus that addresses the factors specified in the law. This will include information on actions taken to expand the area of consideration and other sources available for recruiting for the position. In the event the district commander is the requesting supervisor, the request will be submitted to CELRD-HR for the division commander's decision.

b. If the district commander approved the bonus, a copy of the request and supporting documentation will be provided to CELRD-HR for review prior to the bonus being offered to the individual.

c. If the decision to offer a bonus is made prior to recruitment or placement efforts being initiated, the vacancy announcement or career referral request will include the information.

11. General Pay Fixing Guides.

a. The employee's rate of pay will be set at the time the personnel action is taken. If a decision is made to afford the employee the benefit of a former rate of pay, but it is not possible to obtain proof of the former rate before taking the action, the action may be processed at the minimum step of the grade, subject to upward adjustment. In such cases, the appropriate CPOC procedures and documentation will be used.

b. Simultaneous Actions. When a position or appointment changes and entitlement to a higher rate of pay occurs at the same time, the higher rate of pay is deemed the employee's existing rate of pay. If the employee is entitled to two benefits at the same time, the change will be processed in the order which gives the employee the maximum benefit.

c. Changes in pay not covered in this regulation will be processed in accordance with applicable OPM, DOD and Department of Army regulations and policies.

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